

# ANNUAL REPORT

OF THE

Detroit AND Mackinac

Railway Company,

INCLUDING

Traffic Reports of the Road

FOR THE

FISCAL YEAR ENDING

June 30th, 1898.

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SCHOBER PRINTING & STATIONERY CO.  
DETROIT, MICHIGAN.





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# DIRECTORS AND OFFICERS

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## BOARD OF DIRECTORS

C. H. COSTER.....	New York, N. Y.
E. N. GIBBS.....	New York, N. Y.
J. D. HAWKS.....	Detroit, Mich.
H. B. HOLLINS.....	New York, N. Y.
A. J. THOMAS.....	New York, N. Y.

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## OFFICERS

J. D. HAWKS.....	<i>President and Gen'l Manager.</i>
GEORGE M. CROCKER.....	<i>V-Prest., Auditor and Pur. Agent</i>
A. H. GILLARD.....	<i>Secretary.</i>
J. H. EMANUEL, Jr.....	<i>Treasurer.</i>
DON. M. DICKINSON.....	<i>General Counsel.</i>
D. J. CASEY.....	<i>Chief Engineer.</i>
C. W. LUCE.....	<i>General Superintendent.</i>
T. G. WINNETT.....	<i>General Freight and Pass. Agent.</i>

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*General Office, No. 610 Union Trust Building, DETROIT, MICH.*

DETROIT, MICH., Oct. 25th, 1898.

## REPORT OF THE GENERAL MANAGER

*To the Stockholders of Detroit & Mackinac R'y Co.*

### GENTLEMEN:

During the year ending June 30, 1898, all money earned in excess of fiscal charges has been put into permanent improvements, extensions of the main line and logging branches.

The most important work was the extension of the main line from La Rocque to Onaway, a distance of 19 miles. This was begun and finished during the year

The business already done and the prospects for future development of factories, mills and farms fully justify the expenditure. The same attention was paid to low grades, easy curves and thorough construction on this extension as on the extension to Bay City.

Late in the year orders were placed for 50 box cars, 100 flat cars and 1 locomotive. These have been delivered since the fiscal year ended and will enable the road to handle the business of its increased mileage with satisfaction to its patrons.

Our resorts at Linwood and Tawas Beach did a good pic-nic and excursion business in spite of the fact that the road has to do most of such business in rented cars. The popularity of the shore points between Bay City and Alpena as health resorts is steadily growing but summer business will not assume large proportions until the road is finished to Mackinac, when we will be able to demonstrate that our side of the state has decided climatic advantages over Petoskey and Charlevoix and is the best hunting and fishing ground in the lower peninsula.

The resources of the country along the line of the road in coal, gypsum and limestone have attracted considerable attention during the year. The limestone at Omer, Alpena and Bolton has been analyzed by numerous firms interested in the manufacture of chemicals and is found to be especially adapted to many uses in the chemical line. It is also a fair building stone and makes good lime. Two new quarries have been started during the year. A spur track

to Alabaster was started during the year and since finished. This track is  $4\frac{1}{2}$  miles long and gives a rail outlet for the extensive plant at Alabaster, which had always depended on water for the shipment of the large quantities of the products of gypsum manufactured at that point.

While several new coal mines have been opened in the Saginaw Valley during the year and much testing was done along our road it was only since the close of the fiscal year that the first shaft was started north of Bay City. This is near the mouth of the Kawkawlin River and the mine will give us considerable freight and ensure cheap coal for our locomotives.

The beet sugar works at Bay City have been completed and the road will get some shipments of sugar beets this fall.

The price of salt has been so low as to offer poor encouragement to the two salt plants at East Tawas and salt shipments have been small.

Considerable attention is being attached to the peculiar natural advantages of the soil and climate along the line for the raising of potatoes, apples and plums and for the raising of live stock. Wheat, oats and barley continue to do well.

The main business of the road continues to be in the handling of logs and lumber, but the decrease in the pine which is now practically exhausted is more than made good by the increase in the shipments of hardwood logs, lumber and manufactured products. This seems to answer the question so often asked "What will become of the road when the Pine is gone?"

It will take many years to work up the hardwood and unlike much of the land on which pine grew, the hardwood land is all good farming land.

Outside of the erection of new mills for the manufacture of staves, headings, shingles, excelsior, veneering and flour perhaps the most important single industry is the new Fletcher Paper Mill at Alpena and the new Pulp Mill at Broadwells Dam, five miles from Alpena, with a spur track of  $2\frac{1}{2}$  miles in length. The pulp mill will turn wood into pulp by the mechanical process. This pulp will be taken on cars to the paper mill at Alpena and there mixed with the pulp so long made at Alpena by the chemical process and the product turned into paper.

The dealings of the road with its connecting roads have been very harmonious during the year. No fatal accidents have occurred to passengers or employees.

Yours very truly,

J. D. HAWKS,

*President and Gen'l Manager.*

### MILEAGE OF DETROIT & MACKINAC RAILWAY

Main Line—Bay City to LaRocque.....	157.30
Rose City Branch—Emery Junction to Rose City.....	32.20
Prescott Branch—Emery Junction to Prescott.....	11.80
Valentine Lake Branch—LaRocque to Valentine Lake.....	25.70
Various Logging Branches and Spurs.....	67.23
Mileage June 30th.....	294.23
Onaway Extension (began operating July 1st, 1898).....	19.00
<b>TOTAL MILEAGE</b> .....	<b>313.23</b>

### EARNINGS AND EXPENSES

	EARNINGS			
	1897 Amount	1897 Per Cent	1898 Amount	1898 Per Cent
Freight.....	298,945.56	73.51	347,281.93	72.13
Passenger.....	84,035.43	20.66	110,681.76	22.99
Mail.....	17,457.32	4.29	19,189.88	3.98
Express.....	1,960.20	.48	2,594.57	.54
Other Sources.....	4,283.19	1.06	1,719.76	.36
<b>TOTALS</b> .....	<b>\$406,681.70</b>	<b>100%</b>	<b>\$481,467.90</b>	<b>100%</b>
EXPENSES				
Maint. of Ways and Structures....	102,572.32	33.66	88,011.06	28.92
Maintenance of Equipment.....	41,812.25	13.72	44,376.96	14.59
Conducting Transportation.....	137,635.30	45.16	155,679.01	51.17
General Expenses.....	22,718.98	7.46	16,201.21	5.32
	<b>\$304,738.85</b>	<b>100%</b>	<b>\$304,268.24</b>	<b>100%</b>
<b>NET EARNINGS</b> .....	<b>\$101,942.85</b>	<b>25.07</b>	<b>\$177,199.66</b>	<b>36.80</b>

### LOGGING BRANCHES, SPURS AND SIDINGS CONSTRUCTED DURING THE YEAR.

Track No.		Miles	Feet
87	Avery's Mill track, Alpena.....	2	320
89	Spur Track, East Tawas.....	..	1030
90	Tawas Park Track.....	..	4100
91	Au Sable Yard Scale Track.....	..	535
92	Spur Track, Alpena Yard.....	..	300
93	Stevens Track, Van Netten Lake.....	..	4500
97	Alger, Smith & Co., Logging Branch.....	10	3540
98	Albert Pack—Richardson Branch.....	2	720
99	Funk & Armstrong, Turner, Siding.....	..	1460
200	Twining Station Siding.....	..	1500
201	Albert Pack, Haley Branch, ex.....	2	....
202	Besser & Churchill, Cleveland Hoop Mill, Alpena.....	..	1440
203	Alger, Smith & Co., Black River.....	..	760
204	A. Jasspon, Clear Lake Spur.....	..	605
211	Turner Banking Ground.....	..	1200
212	Emory Jct. Siding.....	..	800
215	Valentine Clark & Co., Pinconning Spur.....	..	630
216	Crescent Cooperage Co., Spur Track.....	..	452
217	Siding, Alpena Jct.....	..	1180
219	Geo. Holmes, Spur Track, LaRocque.....	..	360
220	Wm. Jones, Pritchard Branch.....	..	235
224	Alger, Smith & Co., Logging Branch.....	3	3300
		<b>24</b>	<b>1567</b>



**ADDITIONS TO PROPERTY CHARGED TO OPERATING EXPENSES**

Logging Branches built during the year.....	8,140.25
New Fence Constructed.....	3,131.30
Twining Station.....	800.00
Turn Table .....	97.85
Shop Machinery and Tools.....	1,776.98
Miscellaneous Structures.....	3,321.93

**CHARGED TO COST OF ROAD.**

Onaway Extension.....	130,284.57
Miscellaneous Charges to Main Line.....	7,560.94

17,268.31

**TOTAL BETTERMENTS DURING YEAR, -** 155,113.82

**CHARGES TO COST OF ROAD**

Cost of Road to June 30th, 1898.....	4,846,485.92
Cost of Road to June 30th, 1897.....	4,708,640.41

**INCREASE DURING YEAR**

\$137,845.51

**NORTHERN EXTENSION**

La Rocque to Onaway—19 miles.....	130,284.57
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**MAIN LINE**

Miscellaneous charges to Construction .....	7,560.94
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**TOTAL**

\$137,845.51

**CONDENSED BALANCE SHEET**

Cost of Road .....	4,846,485.92
Cost of Equipment.....	311,820.18
Real Estate.....	5,450.00
Material and Supplies on Hand .....	21,584.77
Cash in Bank.....	1,664.63
Due from Agents.....	14,697.92
Due from Solvent Cos. and Individuals.....	14,815.83
Alp. & Nor. Trust Fund on deposit with J. P. M. & Co.	30,540.41
Coupon Account.....	5,080.00
Net Traffic Balances.....	794.66
Alabaster Extension.....	287.35
Capital Stock } Preferred.....	90,000.00
} Common.....	2,000,000.00
Funded Debt .....	2,918,000.00
Bills Payable.....	5,000.00
Audited Vouchers and Accounts .....	14,431.61
Wages and Salaries Unpaid.....	-16,622.09
Matured Interest Coupons Unpaid .....	5,080.00
Rents due July 1st .....	197.84
Balance Purchase Price Alpena & Nor.....	59,866.47
Profit and Loss Account .....	144,023.66

\$5,253,221.67

**TOTALS**

\$5,253,221.67

## PROFIT AND LOSS ACCOUNT

Balance June 30th, 1897.....		93,868.52
Earnings.....		481,467.90
Operating Expenses and Taxes.....	311,147.25	
Interest on Funded Debt.....	116,720.00	
Miscellaneous.....	2,945.51	
Balance June 30th, 1898.....	144,023.66	
TOTALS	-	<u>\$574,836.42</u> <u>\$574,836.42</u>

## OPERATING EXPENSES

### MAINTENANCE OF WAYS AND STRUCTURES

	1897	1898
Repairs of Roadway.....	44,782.21	55,779.74
Renewals of Rails.....	34,397.79	3,645.30
Renewals of Ties.....	8,542.75	8,690.29
Repairs and Renewals of Bridges and Culverts.....	2,651.06	2,448.93
Repairs and Renewals of Fences, Road Crossings, Signs and Cattle Guards.....	4,160.91	3,870.37
Repairs and Renewals of Buildings and Fixtures.....	2,521.80	2,505.76
Repairs and Renewals of Telegraph.....	1,387.79	1,390.33
Stationery and Printing.....	33.08	50.56
Other Expenses.....	4,094.93	9,629.78
TOTALS	-	<u>\$102,572.32</u> <u>\$88,011.06</u>

### MAINTENANCE OF EQUIPMENT

Superintendence.....	2,340.00	2,340.00
Repairs and Renewals of Locomotives.....	14,923.13	15,943.44
Repairs and Renewals of Passenger Cars.....	3,151.15	3,071.80
Repairs and Renewals of Freight Cars.....	13,375.96	17,541.74
Repairs and Renewals of Work Cars.....	1,441.01	1,070.58
Repairs and Renewals of Shop Machinery and Tools.....	1,817.40	1,138.40
Stationery and Printing.....	31.23	37.46
Other Expenses.....	4,732.37	3,233.54
TOTALS	-	<u>\$41,812.25</u> <u>\$44,876.96</u>

## CONDUCTING TRANSPORTATION

	1897	1898
Superintendence.....	10,110.34	9,470.12
Engine and Roundhouse Men.....	28,698.32	31,644.38
Fuel for Locomotives.....	36,327.59	35,392.90
Water Supply for Locomotives.....	2,215.73	2,453.13
Oil, Tallow and Waste for Locomotives.....	2,363.42	1,201.38
Other Supplies for Locomotives.....	405.20	480.72
Train Service.....	22,843.88	25,855.53
Train Supplies and Expenses.....	4,246.64	4,926.14
Switchmen, Flagmen and Watchmen.....	2,640.95	325.53
Telegraph Expenses.....	404.02	4,896.64
Station Service.....	14,716.82	14,649.97
Station Supplies.....	584.82	1,017.76
Switching Charges—Balance.....		3,848.50
Car Mileage—Balance.....	4,577.19	8,090.26
Hire of Equipment.....		242.05
Loss and Damage.....	2,263.29	1,570.15
Injuries to Persons.....	55.10	587.32
Clearing Wrecks.....	291.11	304.22
Advertising.....	475.34	1,638.25
Outside Agencies.....	103.90	285.37
Rents for Tracks, Yards and Terminals.....	1,555.00	2,165.00
Rents of Buildings and other Property.....		2,196.75
Stationery and Printing.....	2,061.12	1,922.54
Other Expenses.....	693.02	564.40
TOTALS		<u>\$137,635.30</u> <u>\$155,679.01</u>

## GENERAL EXPENSE.

Salaries of General Officers.....	10,000.00	9,999.93
Salaries of Clerks and Attendants.....	4,223.24	4,454.44
General Office Expenses and Supplies.....	2,832.97	429.61
Insurance.....	1,057.09	464.66
Law Expenses.....	1,108.08	74.60
Stationery and Printing.....	706.54	503.74
Other Expenses.....	2,791.06	274.23
TOTALS		<u>22,718.98</u> <u>16,201.21</u>
GRAND TOTALS		<u>\$304,738.85</u> <u>\$304,268.24</u>

## BONDED DEBT

Class of Bonds	Amount Outstanding	INTEREST		Interest Accrued during year	Principal Due
		Rate	When Payable		
First Lien	918,000.00	4%	June and December	36,720.00	June 1, 1895
Mortgage	2,000,000.00	4%	June and December	80,000.00	June 1, 1895
	2,918,000.00			116,720.00	

## PASSENGER STATISTICS

	1897	1898
Number of Passengers carried.....	87,944	112,111
Number of Passengers carried one mile.....	3,113,204	4,087,067
Number of Passengers carried one mile per mile of road.....	10,931	13,891
Average distance each passenger carried ....	35.4	36.456
Total Passenger Revenue.....	83,215.96	109,504.78
Average Amount received from each passenger.....	94.624	97.675
Average receipts per Passenger per mile.....	02.673	02.679
Total Passenger earnings.....	103,452.95	132,466.21
Passenger earnings per mile of road.....	363.24.77	450.21.313
Passenger earnings per train mile.....	53.576	64.383

## FREIGHT STATISTICS

No. Tons carried of freight earning revenue.....	446,456	520.692
No. Tons carried one mile.....	18,081,468	21,712,856
No. Tons carried one mile per mile of road..	63,488	73,795
Average distance haul of one ton (miles)...	40.5	41.7
Total Freight revenue.....	\$298,945.56	347,281.93
Average amount received for each ton of freight....	66.96	66.696
Average receipts per ton per mile.....	01.653	01.599
Total Freight Earnings.....	298,945.56	347,281.93
Freight Earnings per mile of road .....	1,049.66.84	1,180.30.768
Freight earnings per train mile.....	1.22.262	1,42.708

## PASSENGER AND FREIGHT STATISTICS

Passenger and Freight Revenue.....	382,161.52	456,786.71
Passenger and Freight Revenue per mile of road .....	1,341.85.927	1,552.48.176
Passenger and Freight earnings.....	402,398.51	479,748.14
Passenger and Freight earnings per mile of road .....	1,412.91.612	1,630.52.082
Gross earnings from operation.....	406,681.70	481,467.90
Gross earnings from operation per mile of road ...	1,427.95.54	1,636.36.577
Gross earnings from operation per train mile.....	92.933	1.07.208

## OPERATING STATISTICS

Operating Expenses.....	304,738.85	304,268.24
Operating Expenses per mile of road.....	1,070.01	1,034.11.698
Operating Expenses per train mile.....	69.866	67.751
Income from operation.....	101,942.85	177,199.66
Income from operation per mile of road....	357.94.54	602.24.878
Ratio of Expenses to Earnings.....	74.93	63.20

## TRAIN MILEAGE STATISTICS

	1897	1898
Miles run by Passenger trains.....	176,026	187,904
Miles run by Freight trains.....	193,306	189,828
Miles run by Mixed trains.....	68,276	71,364
Miles run by Construction and other trains.....	56,100	100,989
	<u>493,708</u>	<u>550,085</u>

## FREIGHT TRAFFIC MOVEMENT

	Tons	Per Ct.	Tons	Per Ct.
	1897		1898	
<b>PRODUCTS OF AGRICULTURE</b>				
Grain.....	2,009	.45	3,618	.72
Flour.....	1,517	.34	2,651	.52
Other Mill Products.....	402	.09	2,001	.39
Hay.....	313	.07	494	.10
Tobacco.....			34	
Fruit and Vegetables.....	1,786	.40	5,189	1.00
<b>PRODUCTS OF ANIMALS</b>				
Live Stock.....	1,829	.41	1,525	.31
Dressed Meat.....	714	.16	608	.13
Other Packing House Products.....	1,250	.28	1,232	.26
Poultry, Game and Fish.....	224	.05	196	.01
Hides and Leather.....	1,562	.35	2,265	.45
<b>PRODUCTS OF MINES</b>				
Anthracite Coal.....	1,217	.27	106	.02
Bituminous Coal.....	3,650	.82	8,340	1.62
Stone, Sand and other like articles.....	1,207	.27	1,260	.28
Salt.....	848	.19	4,212	.84
<b>PRODUCTS OF FORESTS</b>				
Lumber.....	28,171	6.31	25,782	4.52
Forest Products other than Lumber.....	358,370	80.27	435,170	83.68
<b>MANUFACTURES</b>				
Petroleum and other Oils.....	1,117	.25	512	.10
Sugar.....			357	.07
Iron—Pig and Bloom.....	3,482	.78	424	.08
Other Iron and Machinery.....	2,947	.66	2,891	.68
Cement, Brick and Lime.....	2,009	.45	4,293	.86
Agricultural Implements.....			305	.06
Wagons, Carriages, Tools, etc.....			63	.01
Wine, Liquor and Beer.....	491	.11	278	.05
Household Goods and Furniture.....	848	.19	988	.20
Other Manufactured Articles.....	3,036	.68		
<b>MERCHANDISE</b>	27,457	6.15	14,138	2.70
<b>MISCELLANEOUS—Other Commodities not mentioned above.....</b>			1,760	.34
<b>TOTALS</b>	<u>446,456</u>	<u>100%</u>	<u>520,692</u>	<u>100%</u>

## EQUIPMENT

<b>LOCOMOTIVES</b>			
Passenger .....	6		
Freight .....	13		
Switching .....	1		
	<b>Total</b>	-	20
<b>PASSENGER CARS</b>			
First Class Cars .....	6		
Combination Cars .....	2		
Parlor Cars .....	2		
Baggage, Express and Postal Cars .....	5		
	<b>Total</b>	-	15
<b>FREIGHT CARS</b>			
Box Cars .....	84		
Flat Cars .....	399		
Other Cars in Freight Service .....	273		
	<b>Total</b>	-	756
<b>IN COMPANY'S SERVICE</b>			
Officers and Pay Cars .....	1		
Derrick Cars .....	1		
Caboose Cars .....	8		
Other Road Cars .....	8		
			18
<b>Total Number of Engines owned</b>		-	20
“ “ <b>Cars</b>	“	-	789

## PERFORMANCE OF LOCOMOTIVES

	<b>ENGINE MILEAGE</b>	
	1897	1898
Miles Passenger Trains .....	176,026	187,904
Miles Freight Trains .....	193,306	189,828
Miles Mixed Trains .....	68,276	71,364
Miles Construction and other Trains .....	56,100	100,989
<b>Total Engine Miles</b>	<b>493,708</b>	<b>550,085</b>

### COST

Repairs of Engines .....	14,923.13	15,943.44
Engine Fuel .....	36,327.59	35,892.90
Oil Waste and Tallow .....	348.45	1,201.38
Water Supply .....	2,215.73	2,453.13
Other Locomotive Supplies .....	405.20	430.72
Wages Engine and Roundhouse Men .....	29,972.25	31,644.38
<b>Total Cost</b>	<b>\$84,192.35</b>	<b>\$87,065.95</b>
<b>Average Cost per mile</b>	<b>17.053</b>	<b>15.828</b>

### AVERAGE NUMBER POUNDS COAL CONSUMED PER MILE

Passenger .....	36.426	40.00
Freight .....	81.122	106.56
Switching .....	40.008	46.01
Construction .....	80.000	90.23
<b>Average all Classes</b>	<b>63.62</b>	<b>75.87</b>